

Covid-19 Special Alerts | 19 May 2020

Contents

1. European Commission approves Belgian regional scheme to support start-ups, scale-ups and SMEs in Covid-19 crisis 1

2. European Commission approves EUR 200 million French aid for exporting and midsize companies affected by the COVID-19 crisis 2

3. European Commission approves amendment to Italian aid scheme in the agricultural, forestry, fishery and aquaculture sectors..... 2

4. European Commission approves Dutch compensation scheme of EUR 650 million for floriculture, specialty horticulture and the potato sector 2

5. European Commission approves EUR 10.3 billion UK scheme for self-employed individuals and members of partnerships affected by the COVID-19 crisis..... 3

1. EUROPEAN COMMISSION APPROVES BELGIAN REGIONAL SCHEME TO SUPPORT START-UPS, SCALE-UPS AND SMES IN COVID-19 CRISIS

On 5 May 2020, the European Commission (“*Commission*”) approved a Belgian scheme financed by the Flemish Region of up to EUR 250 million to support companies affected by the COVID-19 outbreak. The measure will take the form of a subordinated loan scheme and intends to help companies in their economic development by covering their liquidity needs.

In order to be eligible for the aid, start-ups, scale-ups and small and medium-sized enterprises (“*SMEs*”) must fulfil the following conditions:

- Show that they are significantly affected by the COVID-19 outbreak;
- Demonstrate that they were not in default of payments of credits, taxes or social security contributions on 1 February 2020 (or were not in default of these payments for more than 30 days on 29 February 2020);
- retain at least 80% of their workforce as of 29 February 2020 or make the commitment to return to an employment rate of 80% once the aid is granted, provided they employ 10 or more people; and
- Not be qualified as an undertaking in difficulty within the meaning of the General Block Exemption Regulation.

The Commission considered that the scheme was in line with the conditions laid down under the State aid Temporary Framework namely as (i) the maximum amount of the loans will be limited to EUR 800,000 per undertaking (EUR 120,000 per company active in the fishery and aquaculture sector and EUR 100,000 per

undertaking active in the production of agricultural products), (ii) the loans will not be granted after the end of 2020, and (iii) the duration of the loans will not exceed three years.

Please find a link to the Commission's press release [here](#).

2. EUROPEAN COMMISSION APPROVES EUR 200 MILLION FRENCH AID FOR EXPORTING AND MIDSIZE COMPANIES AFFECTED BY THE COVID-19 CRISIS

On 11 May 2020, the European Commission ("*Commission*") announced that it approved a EUR 200 million French guarantee scheme for small and medium-sized enterprises ("*SMEs*") with export activities that are affected by the coronavirus outbreak. The French aid was approved under the State aid Temporary Framework ("*the Temporary Framework*") adopted by the Commission on 19 March 2020, as amended on 3 April 2020.

The aid takes the form of state guarantees with the objective of limiting the risk associated with issuing financing guarantees to exporting SMEs with an annual turnover below EUR 1.5 billion. The measure is expected to involve an amount of EUR 200 million.

The Commission concluded that the measure was necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the Temporary Framework. On this basis, the Commission approved the measure under EU State aid rules.

Please find a link to the Commission's press release [here](#).

3. EUROPEAN COMMISSION APPROVES AMENDMENT TO ITALIAN AID SCHEME IN THE AGRICULTURAL, FORESTRY, FISHERY AND AQUACULTURE SECTORS

On 11 May 2020, the European Commission ("*Commission*") approved an amendment notified by Italy on 6 May to the aid scheme SA.57005 (2020/N), which the Commission previously approved on 21 April 2020 under the Temporary Framework. The aid under discussion is addressed to undertakings operating in the agricultural, forestry, fishery and aquaculture sectors located in Friuli Venezia Giulia Region. The only amendment consists of an increase of the budget by EUR 50 million. The total budget of the scheme will now amount to EUR 100 million.

Please find a link to the Commission's decision [here](#).

4. EUROPEAN COMMISSION APPROVES DUTCH COMPENSATION SCHEME OF EUR 650 MILLION FOR FLORICULTURE, SPECIALTY HORTICULTURE AND THE POTATO SECTOR

On 8 May 2020, the European Commission ("*Commission*") approved a Dutch compensation scheme to support companies in the floriculture, specialty horticulture and potato sectors for damage caused by the coronavirus outbreak. The companies active in those sectors are compensated for the loss of revenue or additional costs related to the collapse in demand for their products.

EUR 600 million will be allocated to support farmers and traders in the floricultural sector and companies active in the specialty horticultural sector for the food-service market, which have been negatively affected by the coronavirus outbreak. The aforementioned market operators will be entitled to compensation for certain damages suffered. The compensation in the form of direct grants can cover a maximum of 70% of the loss of revenue or additional costs for farmers and traders active in the floricultural sector and companies active in the specialty horticultural sector.

The remaining EUR 50 million will be allocated to potato growers affected by the outbreak. The direct grants can cover a maximum of 44% of their loss of revenue or their additional costs.

In its assessment of the Dutch aid scheme, the European Commission also assessed the measure under the [Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020](#). The Commission concluded that the Dutch aid scheme will compensate damages that are directly linked to the COVID-19 outbreak. It also found that the measure is proportionate, as the foreseen compensation does not exceed what is necessary to make good the damage.

Please find a link to the Commission's press release [here](#).

5. EUROPEAN COMMISSION APPROVES EUR 10.3 BILLION UK SCHEME FOR SELF-EMPLOYED INDIVIDUALS AND MEMBERS OF PARTNERSHIPS AFFECTED BY THE COVID-19 CRISIS

On 11 May 2020, the European Commission ("*Commission*") approved a UK scheme, worth GBP 9 billion, designed to support lower-end income self-employed individuals, including members of partnerships, which have been severely affected economically by the COVID-19 crisis. The scheme will allow them to continue their activities during and after the crisis. The scheme will be applied to all sectors within the UK and will take the form of direct grants.

The Commission considered that the scheme was in line with the with the conditions set out by the State Aid Temporary Framework, as (i) the direct grants will be granted over a period of less than twelve months and are subject to the condition that the activity of the beneficiaries is ongoing and will be maintained; (ii) the direct grants will not exceed 80% of the individuals' monthly gross income; and (iii) the direct grants do not lead to overcompensation.

The Commission concluded that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State (according to the UK Withdrawal Agreement, during the transition period, EU law continues to apply to the UK as if it were a Member State) in line with Article 107(3)(b) TFEU and the State Aid Temporary Framework. The Commission therefore approved the scheme.

Please find a link to the Commission's press release [here](#).